

June 11, 2003

Jeffery Kitsembel
Public Service Commission
P.O. Box 7854
Madison, WI 53707-7854

RE: Docket number 05-CE-130
Comment by Town of Caledonia, Racine County, Wisconsin
on Draft Environmental Impact Statement: Elm Road Generating Station

Submitted via e-mail, with signed original w/ attachments to follow

Dear Mr. Kitsembel:

As per page "i" the Town of Caledonia is providing you with its comments on the Draft Environmental Impact Statement for the Elm Road Generating Station (EIS). The Town understands that "the purpose of this EIS is to provide the decision makers, the public, and other stakeholders with an analysis of the social, cultural, and environmental impacts that could result from the construction of three new coal-fired power plants and their associated facilities." As such, the Town's comments will focus on issues germane to this stated purpose.

Comments on Railroad Proposals and Impacts (pages 347-361)

Errors of fact

The Town perceives a number of statements as errors of fact. A listing of those follows.

Number of Crossings: Page 347 indicates the railroad "crosses four roads in the town of Caledonia with at-grade crossings." This is not true. Three Mile Road is an important east-west corridor with substantial traffic. At the point of its crossing, Three Mile Road represents our boarder with the City of Racine and is very near the active commercial area along STH 32 (Douglas Avenue) approximately 650 feet to the east. In addition to correcting the factual error, the impacts upon Three Mile Road must be investigated and reported. As Three Mile Road is a primary east-west route for residents of the Village of North Bay, much of the Village of Wind Point, and residential sections of both the Town of Caledonia and the City of Racine, the impacts of train traffic on this crossing must not be ignored.

Trains Blocking Crossings: The Town believes there are factual errors within this section of the report (beginning p. 349) and with the consultants report referred to. The Town, however, only

has anecdotal and sample data relative to blocking crossings so will therefore present our concerns below in the “Concerns with Accuracy of Information as Reported” section. Nonetheless our information clearly suggests factual errors.

Trains During July 19 and August 12: Page 352 reports that “30 coal trains passed Four Mile Road traveling to and from the Oak Creek site.” The train logs provided by We Energies to the Town, ATTACHMENT A, indicates 35 trains should have been identified.

Traffic Volume on Seven Mile Road: The EIS estimates current traffic volume at Seven Mile Road, per a We Energies’ consultant, to be “200 vehicles per day”. The Town using TimeMark Delta III traffic counting equipment recorded an average daily traffic volume of 320 vehicles with a maximum of 655 during the 29 day period of October 22 through November 19, 2002. 13.8 percent of the days exceeded 500 vehicles.

Maximum Average Daily Time Blocked: Table 11-31 (p. 353) uses this confusing phrase numerous times. A “maximum average...” would be the peak in a series of average times. The table, however, indicates that it is the intent to average a series of maximum times (see footnote *). The table, therefore, should refer to “Average maximum daily time blocked.” The table itself is confusing enough without this minor oversight.

Concerns with Accuracy of Information as Reported

The Number of Coal Trains: The Town disagrees with the information presented as to the number of coal trains that are expected. The Town believes that conclusions reported by WE Energies and repeated within this EIS needs to be investigated further and that the EIS must identify, clarify, and reconcile discrepancies between information reported elsewhere by WE Energies as to the number of coal trains (including in documents submitted to the PSC) and that reported within the EIS. The Draft EIS should then be ammended to reflect these corrections.

The EIS table 11-28 (p. 347) and the Power the Future Application – Supplement No. 2 under “Motor Vehicle Travel” both indicate the current number of trains is about 5-6 trains per week. The Town accepts this number because it accurately reflects that approximately 75% of weeks during normal operations experience 5 or 6 trains, based upon train arrival schedules for 2001 and 2002 as provided to the Town by We Energies.

Specifically, however, the Town believes the information presented in Table 11-29 (p. 349) of the EIS is not accurate and needs to be investigated independently and corrected. First, Table 11-29 of the EIS appears to rely upon the mean average number of trains, approximately 5, and not the average as previously reported, 5-6. That sixth train, which appears to no longer be given any consideration within Table 11-29, represents a 20 percent increase in traffic compared to a 5-train week. The mean average is not representative of the routine number of trains impacting the community because the mean average is reduced by the annual two week shut-down period, during which no coal trains come through, and by the apparent occasional period of reduced activity (for example, a 7 week period of reduced train activity in February and March of 2002 brings the mean average down while not accurately reflecting the typical train activity during the other 22 months of that period).

The Town's second objection to Table 11-29 pertains to the third footnote (***). This footnote indicates the possibility for an "increase by about one train for each category." It does not clearly indicate whether this increase is to be one in total or in cumulative (in other words, one for each category totals three trains more after the IGCC unit is completed). More importantly, after the preceding point is clarified, this additional train should not be hidden in the footnote. It should be reflected as part of a range to be stated within the body of the table, for example "7" should be "7-8." This footnote, in effect, appears to further reduce the number of trains that will potentially impact our community.

The third, and most serious, objection to Table 11-29 is that it simply cannot be accurate based upon information previously submitted by We energies. The Power the Future Application – Supplement No. 2 under "Impact of Increased Rail Deliveries" states "With 135 car unit trains, the increase in the number of trains per week is 3 per generating unit." This volume is clearly not being reflected in the EIS. The EIS, therefore, dramatically reduces the number of trains from that reported as necessary by We Energies, without any acknowledgement or justification. Although the Application identifies this number as the "upper bounds" it appears to do so in comparison to reducing train traffic through deliveries by water, which appears to no longer be a serious consideration. Therefore, the "3 (trains) per generating unit" should be reflected in the EIS and the "All rail" column of Table 11-29 should reflect at least "8-9," "11-12," and "14-15."

Alternatively, the EIS must reconcile the number of trains previously reported as necessary and the numbers reported in Table 11-29. The reconciliation should be performed independently from We Energies to ensure accuracy and should consider such factors as car capacity versus actual amounts loaded per car. Furthermore coal train volumes should be able to be cross-checked in relation to power generation. In other words, if 5-6 trains per week currently provides coal sufficient for "X" MW's, how many trains are needed for the proposed increased power capacity? Obviously, it may be necessary to provide a factor to adjust for any improved burning efficiency newer plants may provide.

Once the discrepancies in Table 11-29 are corrected, the "Table summary" can be corrected to accurately and more objectively reflect the increase in train activity. The summary currently states (p. 349) that "the number of coal trains entering the Oak Creek site would stay about the same for installation of one SCPCC unit." Despite We energies previously indicating 3 new trains would be needed, increasing from "5-6" to 7 is still a two-fifths (40%) or one-sixths (17%) increase in trains, not "about the same."

Seven Mile Road: The Town disagrees with the conclusions and recommendations portrayed in the EIS, does not accept the recommendations of the Benesch report, and recommends discarding the Benesch report. The Benesch report recommends closing Seven Mile Road and constructing cul-de-sacs. As stated above in "Factual Errors" the Benesch report estimated traffic volumes at less than two-thirds their current level based upon traffic counts performed by the Town of Caledonia. The Town was unable to locate or identify within the Benesch report the source for the under-reported traffic volume number. Furthermore, the Town was unable to locate or identify within the Benesch report where any consideration was given to future road volumes. The Town is actively pursuing a multi-year, \$270,000 neighborhood planning process

and the land-use consultant has verbally indicated that Seven Mile Road will become an increasingly significant east-west corridor. Future traffic volumes during the life of the proposed OCPP must be determined and applied to the decision process for Seven Mile Road.

The EIS, in fact, suggests addressing loss of an access road for emergency vehicles and loss of an access road for residents. The EIS indicates

“Although not in the applicant’s current proposal, a means to allow both passage of emergency vehicles and direct access to STH 32 for those residents with driveways just east of the railroad crossing has been considered. A private access road could be constructed which would involve an arched tunnel under the railroad.” (p. 355)

Considering the correct current traffic volumes and estimated future traffic volumes (to be determined), it would not appear to make sense to build a private access road to, presumably, lower construction standards. The Town agrees that access must be maintained, but it should be maintained to all users. The Town objects to consideration of closing the Seven Mile Road crossing and believes the Benesch report should be discarded due an apparent bias as reflected in its reliance upon incorrect estimates and its failure to consider future demand.

Six Mile Road: The EIS seems to indicate that a rail crossing at Six Mile Road is recommended but that its approval would come after the fact of approval of the OCPP plans (p. 350, “Process for altering railroads and ownership). This is unacceptable. The EIS is responsible to analyze “the social, cultural, and environmental impacts that could result from the construction of three new coal-fired power plants and their associated facilities.”(p. “i”) If a decision is made based upon the “level of impacts that could result” that decision must be able to enforce and require the steps necessary to match the decision and mitigate its impacts. Furthermore, all steps necessary to acquire and build the necessary overpass should be a responsibility of the applicant, not of the Town. The Town should not be put in a position to take the lead on imminent domain issues as a result of a power plant expansion that we oppose and is detrimental to our community. The EIS must be amended to reflect that any overpass and all requirements and costs of that overpass need to be part of the OCPP plan and not subject to subsequent and future deliberations or determinations.

It should be noted that the Town can not support an overpass at Six Mile Road, because the Town does not support the OCPP plan. If the Town were to give any indication of support for an overpass, the applicant would likely misrepresent such indication as a willingness to support the Power the Future Plan. We Energies has consistently misrepresented any discussion it has had with the Town, and the Town does not wish to provide We Energies with any more opportunity to mislead the public into believing the Town of Caledonia, in any way, supports the OCPP plan as proposed.

Four Mile Road: The Town objects to the conclusions and statements regarding Four Mile Road and believes an independent analysis of traffic volumes and train speeds at this crossing needs to be completed before the EIS can accurately reflect impacts that could occur based upon the

OCPP if approved, as is required of the EIS. The Town has multiple objections to statements and conclusions in the EIS relative to Four Mile Road.

First, as previously stated, the Town does not accept the conclusions of the consultant, Innovative Systems, relative to train speeds and impacts at Four Mile Road. Innovative Systems' evaluation and report are inaccurate and incomplete and, therefore, cannot be relied upon. As indicated above in "Errors of Fact," Innovative System identified 30 coal trains during their study period while We Energies indicated 35 trains arrived and departed during this same period. This is a 17 percent error or variance in relation to Innovative System's train count. This is a significant difference given the small sample size and may indicate either a bias or incompetence in the completion of the study. Either way, the study should not be relied upon.

Second, the Town objects to the implication within the EIS that the train speeds indicated by Innovative Systems can be relied upon. Innovative Systems apparent inability to count the trains accurately casts severe doubt upon their ability to accurately record times of all the trains, especially given the fact that they did not record, or report, all the trains. On the other hand, the Town and nearly every resident living east of the tracks can tell you that Innovative Systems' conclusions are not supported by reality. Both anecdotal and empirical evidence suggests much longer train times are common. Unfortunately, the current empirical evidence available does not represent a statistically significant sample. It does, however, indicate that an unbiased evaluation needs to be performed. The Town, similarly, installed a Police Department surveillance camera along side the tracks at various intersections. Unfortunately, only a few readings were taken at Four Mile Road. The Town, however, recorded times in excess of 11 and 15 minutes. Further study should be completed to correlate closing times at Four Mile Road with Six Mile Road and Seven Mile Road and to identify factors that cause times significantly in excess of those reported by Innovative Systems and portrayed in the EIS as accurate. More detailed review needs to be done to ensure all coal trains are captured and data for those trains needs to be cross referenced with Railroad and We Energies records to ensure trains from other users are not being attributed to the OCPP. More evaluation, independent of We Energies, must be completed to make any clear determination. Furthermore, the implication that 8-minute road closures are the maximum must be eliminated or proven to be without bias or error.

A third objection relative to the Four Mile Road stems from the following statements in the EIS. The EIS states and concludes, "The town of Caledonia is concerned about the increased amount of time that the trains would block Four Mile Road. The rail crossing of Four Mile Road is west of STH 32. While activity at the OCPP/ERGS site affects the crossing times of coal trains at Seven Mile and Six Mile Road, this is not the case at Four Mile Road."

The Town strongly objects to the implications of this misleading statement. The implication of these statements is that any additional road closures at this crossing are acceptable provided some operational delay at the OCPP is not causing that delay. Additional trains, in and of themselves, cause road closures, and each road closure, in and of itself, has a social and cultural impact on the Town. As indicated, an accurate study needs to be done to determine the true impact of additional trains, and these impacts need to be reflected in the EIS.

The EIS makes no reference to traffic counts along Four Mile Road. The EIS makes no reference to the fact that Four Mile Road is the community's most critical east-west corridor. The EIS makes no reference to the fact that the track is only approximately 800 feet east of the intersection of Four Mile Road (also CTH "G") and STH 32. The EIS makes no reference to the fact this nearby intersection of Four Mile Road and STH 32 is the central intersection in the Town and is located at the middle of our business corridor. The EIS makes no reference to the fact that current traffic volumes require individual vehicles to seek alternate routes during crossing closures due to coal trains to avoid back-ups into the intersection of a state trunk highway! The EIS makes no reference to the fact that the traffic counts for this road are expected to experience significant and continued growth.

The EIS inappropriately and with disregard for its own stated purpose indicates, "Any additional train traffic, even if unrelated to the ERGS project, would affect Four Mile Road in the same manner as the coal trains." On this basis, the EIS then ignores its responsibility to analyze "the social, cultural, and environmental impacts that could result from the construction of three new coal-fired power plants and their associated facilities." No such analysis is performed at the most critical social and cultural intersection in the community.

Given increased train traffic, 8 to 15 minute delays (yet to be determined accurately) would become common place. Given daily traffic volumes estimated to be in excess of 10,000 crossings per day (based upon a small sample set of days recorded by a TimeMark III traffic counter), 200-250 vehicles could be impacted in one 15-minute period during peak hours. The dependability and reliability of commuting through the town's central intersection would be put at risk. More frequent road closures could have a significant impact on commerce, productivity, and quality of life, each of which clearly fall into the "social" and "cultural" impact category. All of which, however, has been ignored in the Draft EIS.

A fourth objection to the Draft EIS relative to the Four Mile Road is that no review of a grade separation feasibility study was reported. This is further evidence that the EIS failed to meet its responsibility with regard to the impacts at Four Mile Road. Such a study was performed for both Six Mile Road and Seven Mile Road, but the Town's most critical intersection was ignored.

Three Mile Road: The impact of added closures at Three Mile Road should also be incorporated into the EIS. As stated above in "Errors of Fact," the crossing at Three Mile Road should be included in the report as it is in Caledonia, although the City of Racine lists this crossing on their inventory as well because the road represents the City/Town boarder at that point. Many of the same impacts affect Three Mile Road as affect Four Mile Road. Three Mile Road is actually closer to STH 32 (only about 650 feet away) and can therefore handle fewer cars delayed due to road closings caused by trains.

Dumping Time, Air Testing of Brakes, and Removal of Bad Order Cars: Page 351 references dumping time, air testing of brakes, and removal of bad order cars as reasons for significant road closures at Seven Mile and Six Mile Roads. The report fails to clarify, however, if trains are just being added, why are not the existing trains already causing 240-minute closures and every departing train causing at least a 60 minute delay from air testing of brakes? Is some other

operational action or activity occurring that is causing trains to now have this significant impact? The EIS should clarify why these impacts will now occur with the added trains.

Current Rail Traffic: Table 11-28 (p. 347) does not indicate that the numbers related within the table represent round trips. Therefore, there are actually twice as many road closures as the number of trains indicated. This point should be clarified in the table otherwise the information presented on page 352 relative to the study performed by Innovative Systems appears to be wrong or appears to suggest table 11-28 is wrong. Page 352 indicates that 91 trains passed the intersection in a 25-day period. This exceeds the numbers in Table 11-28 unless all of the trains in Table 11-28 are round trip trains. It should be noted that, given the train traffic results stated on page 352, the statement “Coal delivery...now account for about half of existing rail traffic...” appears to be overstated. The actual results during the study period was less than one-third while the table data actually portrays between 35 and 43 percent.

Additionally, on page 326 the statement, “At full capacity... the proposed project would result in a roughly 40 percent increase in local train traffic” needs to be modified to reflect “in total local train traffic from all sources.” As is, it is too easy for an individual to mistake the sentence as an indication of only a 40 percent increase in coal train traffic, since this is the section heading.

Table 11-31 Maximum Time Trains Entering and Leaving the OCPP Site Would Block Seven Mile, Six Mile, and Four Mile Roads (averaged over a 7-day week): The content and intent of this entire table needs to be revisited after all of the above issues are addressed. As indicated above, the road blockages indicated for Seven Mile, Six Mile, and Four Mile Roads are inconsistent with current activity. (See detailed descriptions above)

Table 11-20 & Table 11-21: The purpose for and intent of Table 11-20 and 11-21 needs to be explained or clarified. Does We Energies have some plan or intent to service numerous trains on a single day? Table 11-20 shows the impact at Seven Mile Road of 8 trains arriving and departing on a single day, and Table 11-21 shows the impact at Six Mile Road of 6 trains arriving and departing on a single day. Only 5 times during all of 2001 and 2002 did multiple trains arrive at OCPP on the same day, and in each instance one train arrived very close to midnight at either the start or end of the day. In fact, page 356 indicates the current 16 hours to unload one train would be reduced to about 5 hours. Therefore, unless We Energies intends to handle more than one train at a time, which has not been indicated, these tables present impossible scenarios. This being the case, these tables serve no realistic purpose except to misrepresent likely impacts.

Social and Cultural Impacts: The section on “Railroad Proposals and Impacts” (beginning page 347) completely fails to meaningfully address the impacts of added train traffic caused by the Power the Future plan. The Draft EIS states “the purpose of this EIS is to provide the decision makers, the public, and other stakeholders with an analysis of the social, cultural, and environmental impacts that could result from the construction of three new coal-fired power plants and their associated facilities.”

This section merely repeats We Energies stated positions on the matter: We Energies will mitigate impacts at Six Mile Road and Seven Mile Road by building an overpass and closing the

road respectively. The social, cultural, and environmental impacts themselves are never discussed except for loss of an access road for emergency vehicles, loss of an access road for residents, and the potential conflict with future commuter train traffic. There are significant, real social and cultural impacts that have been ignored and, in light of the remaining crossings and our objections to the proposed mitigation at Six and Seven Mile Roads, must be discussed in the EIS.

Impacts such as quality of life concerns relative to the dependability of travel times through our community, for example, have been ignored. Families and individuals often plan travel times to work and school, for example, down to precise minutes. Nearly tripling the occurrence of trains (according to We Energies submissions indicating three trains per plant) will significantly affect this quality of life issue. Late arrivals to work and school are generally not acceptable.

The impacts on commerce and economic development also should not be ignored. These vehicles that are delayed are full of people who lose productivity for each train at which they are stopped. Employees are late; deliveries are late; suppliers are late. The economic engine of the Town of Caledonia sputters every time a train runs through our community. Impacts such as these two examples are the social and cultural impacts of the train proposal and should not be ignored, as is currently done within the Draft EIS.

Failure to State Effects on Impacts of the Delivery Methodology of Alternative Fuels (Natural Gas): Other sections of the EIS relate the impacts of the coal proposal relative to impacts of alternative fuel sources, for example natural gas. The same should be done for the “Railroad Proposals and Impacts” section. Nowhere does the Draft EIS state an important fact: all of the negative impacts of coal delivery train traffic go away if coal is not the fuel source. This comparative point should be made.

Diesel Emissions From Rail Engines: The Town objects to no reference to health concerns, particularly related to respiratory ailments, in this section (p. 357). To simply state that “no entity regulates diesel emissions from rail engines” and, therefore, conclude that it has no impact, is erroneous and is not consistent with the stated purpose of the EIS.

Potential Safety Issues Associated With Increased Rail Traffic: This section (p. 357) must be modified because the conclusion stated is unsubstantiated by the information provided. This section provides accident statistics based upon the number of miles and indicates the number of additional miles that will be traveled in Wisconsin. The section then concludes that by reducing the number of crossings “this would lower the potential for accidents between rails and vehicles in Wisconsin.” No evidence or calculation is provided to support this statement. Accident rates are not provided “per crossing” and no calculation is provided to offset the reduction in crossings with the increase in trains. To the contrary, one could logically argue that a 7 percent reduction in crossings in Wisconsin or even the proposed forty percent reduction in crossings in Caledonia would be more than offset by a more than 100% increase in trains (at three new trains per power plant). The conclusion reached in this section, if even accurate, is clearly unsubstantiated by the information provided.

Table 11-34 Participants in Railroad Workshops: The Town objects to the inclusion of this table within the EIS. When this table is put in context with the text on page 358 relative to a new rail underpass on Six Mile Road, it gives the appearance that the Town of Caledonia (through the participation of the Town Engineer) supports the conclusion reached. The suggestion that an underpass be built on Six Mile Road is a recommendation by We Energies to try to draw attention away from the severe negative impacts train traffic would have upon Caledonia. To then give merit to We Energies proposal by attributing it to the unsuspecting attendees at the meeting is inappropriate, misleading, and unfair. The table should be stricken and the text on page 358 should be drafted to clearly indicate that this is a proposal by a consultant of We Energies and nothing more.

Limestone Transport and Storage: The EIS should more clearly address the impacts of limestone transport (p. 112). If transport is to be via rail, the details must be outlined in Chapter 11. As stated above, trains have impacts. The impact of any additional trains caused by the OCPP plan, whether carrying coal or limestone, needs to be identified. No information is given relative to train volumes, lengths, or numbers. As such, the Draft EIS is negligent in not addressing its potential impacts.

Comments on Air Quality Impacts

Total Quality: The expected degradation of air quality, as reported in the Draft EIS, must be emphasized more strongly in the final EIS. A focus on a healthy and healthful environment must be a key component of an EIS. If any plan puts the public at an increased risk of negative health impacts, those impacts must be more clearly and more adamantly emphasized.

Air Modeling: The final EIS should not be prepared or released until air modeling analysis in relation to lower stacks as required by the FAA has been completed, released, reviewed, and comments have been received. The Executive Summary indicates that new air modeling will be performed and the analyses will be presented in the final EIS and/or at the hearings for this project. Inclusion of the results in the final EIS without a public comment opportunity precludes the public from offering its comments on the results. Lowering the stacks could significantly degrade the regional area quality to the point where substantially greater public outcry is generated. The public must be allowed to weigh in on the conclusions prior to the completion of the Final EIS.

Public Health Impacts: The impact on public health is likely the most significant long-run impact of the decision on Power the Future. Although the Draft EIS (chapter 7) does identify some of the public health impacts of the pollution types identified, it is woefully negligent in emphasizing the effects of the identified pollution types. The release of pollutants, which is well documented in the Draft EIS, is the result of the OCPP plan. The impact of the pollutants, however, is the effects those pollutants have on the environment and people. This aspect of the impact of the added pollution is not sufficiently addressed in the Draft EIS. At a minimum Chapter 7 should include a table identifying the pollution type and the public health hazards associated with that pollutant.

Comments on Land Use

The EIS has failed to adequately address the issue of the impact of the proposed plans upon the land use plan of the Town of Caledonia. The Draft EIS acknowledges and briefly describes the Town's land use plan, but the social, cultural, and environmental impacts of the OCPP plan were supposed to be reviewed. The impacts upon the land use plan and its components were ignored by the Draft EIS. The land use plan is a central document to a community that shapes the community's development patterns, which, in turn, shapes your social and cultural structure and characteristics. It also significantly affects the environmental character (the look and feel) of the community. Issues such as development rates, housing stock types, land values, sense of community, road and traffic patterns, and access to Lake Michigan are all influence by land use. Nonetheless, this entire issue of the impact of the Power the Future Plan upon the land use plan and patterns in the Town of Caledonia has been, for the most part, ignored by the Draft EIS. This topic must be considered more thoroughly to meet the stated purpose of the EIS.

Comments on Costs

External Costs: The Town believes all external costs associated with use of coal as a fuel source must be incorporated into the final EIS cost estimates. Issues such as the cost of mitigating and addressing related negative public health impacts and the future cost of addressing increased pollution standards (such as revised mercury standards) must be included. The OCPP will have plant lives of 40-45 years; therefore, all the potential costs during those 40-45 years must be considered. Failure to do so builds a bias into the Final EIS.

Return on Capital Investments: Additionally, the Town believes that the EIS must clearly distinguish that the laws of the State of Wisconsin provide for a guaranteed return on capital investments to Utility Companies and, therefore, a project with higher capital costs is more likely to be preferred by a company with a profit motive. The Town recognizes that it is not an expert in utility financing, but understands that this return-on-capital provision is built into law. As such, this issue becomes strong motivation for a profit-based company to pursue a strategy that is capital intensive compared to other alternatives. Any factor that could so clearly and dramatically impact the decision making process must be considered an "impact" and, therefore, must be included in the EIS. Without such a statement, there is a de facto bias built into the EIS suggesting that the proposal is based only upon other cost and environmental factors.

For example, on page 93 under "Economic Issues" the statement "that choosing a coal facility carries its own significant economic risks" should clearly indicate that this is a risk to the consumer, not to the provider. In fact, given the lack of a "hold to" cost feature and a guaranteed return on capital investments, cost overruns are arguably beneficial to We Energies.

Future Pollution Standards: The Town believes that the EIS should reflect the potential costs of possible future pollution controls at least to the same extent that the EIS reflects the potential for dramatic variability in the cost of natural gas. The cost of natural gas has always fluctuated. Similarly, the United States and State of Wisconsin have always pursued higher environmental standards. Increases in pollution standards will occur just as surely gas prices will fluctuate. The EIS must adequately address these potential, or eventual, costs.

Comment on the Cost Impact of the Agreement Between WEPCO and the City of Oak Creek (p. 28-9 and p. 292)

The Town understands the logical conclusion that with an agreement with Oak Creek in place, the cost of the agreement becomes an apparent cost of the project. The Town, however, objects that the EIS does not identify related impacts on other neighboring communities and identify, estimate, and include those costs as a cost of the project as well. If the EIS accepts the Oak Creek agreement as an impact, those impacts should be estimated for each similarly affected community. If, however, the components of the Oak Creek deal are not related to social, cultural, or environmental impacts, the EIS should state as much and the cost of the Oak Creek Agreement should be referenced for information within the EIS but excluded from consideration in the final EIS evaluation.

If, for example, We Energies announced publicly (and placed a bond in trust) that it would voluntarily donate 50 million dollars to Wisconsin charities if the OCPP plan is approved, does that cost become a cost of the project? Just because the money is paid out does not make it a cost of the project. In this unusual example there is no relationship between the impact of the plan and cost paid out by the plan. The Oak Creek Agreement, realistically speaking, is such a voluntary agreement. The potential costs for all communities of the impacts addressed in the agreement should be included in the EIS or the EIS should state that this is not, in truth, a cost of the OCPP plan.

Comment on Pollution Emissions

Page 95 “Air emissions” must more expansively delineate the distinctions in the air emissions profile for coal-fired and natural gas-fired options. The impact upon public and environmental health must then be included as well. This section dramatically understates the true impact of the coal-fueled option. This forgone opportunity of cleaner air must be more clearly considered and addressed as a cost or impact of a coal-fueled power plant. Although Chapter 7 addresses air emissions (and should be referenced with Chapter 5 for easy referral), it does not adequately address the comparative air emissions patterns, costs, and impacts.

Comment on Community Impacts

Caledonia objects to being excluded from the list of “Communities closest” to the site (p. 277). The Town believes the impacts to which it will be subjected from the plan as proposed qualifies the Town according to the standards identified. If not, the standards need to be modified since part of the site is in Caledonia.

Miscellaneous Comments

Revenue Sharing: Table 11-6, p. 296, is not clear and should list estimated payments by year.

Existing Traffic Volume on Local Roads - Table 11-22: It appears that “Earle” should be “Erie.” It appears that traffic on Seven Mile Road east of STH 32 is underestimated, as previously stated.

Future Plans for Four Mile Road: Page 317 indicates “Plans exist to exchange this ownership. When the County acquires Four Mile Road west of STH 32...” This language should be specific as to the “plan” in reference. As is, it implies the Town is part of the plan to exchange ownership. The Town currently has no such plan.

The Town of Caledonia respectfully requests consideration of the points addressed above and expects action will be taken on the above factual errors, comments, concerns and objections. We further request that the final Environmental Impact Statement reflect the necessary changes. Please contact Mark W. Luberd, Town Administrator, with any questions concerning this letter.

Sincerely,

Susan Greenfield
Chairman